



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

May 19, 1998

H.R. 3532

Nuclear Regulatory Commission Authorization Act for Fiscal Year 1999

As ordered reported by the House Committee on Commerce on April 29, 1998

SUMMARY

H.R. 3532 would authorize appropriations for 1999 of \$483.3 million for the Nuclear Regulatory Commission (NRC) and \$5.3 million for the NRC's Office of Inspector General. Of these amounts, \$18.5 million would be authorized to be appropriated from the Nuclear Waste Trust Fund, with the remainder coming from the general fund of the Treasury. The bill would extend the NRC's authority to offset all of its general fund appropriations through fees and annual charges through 2003. Under current law, this authority would otherwise expire at the end of fiscal year 1998.

H.R. 3532 would allow the NRC to spend, without appropriation action, certain collections that are currently subject to appropriation. The legislation also would authorize the NRC to accept gifts of money or property from the public to facilitate the NRC's work, and would establish a new criminal penalty for the sabotage of nuclear production, utilization, or waste storage facilities. Because these provisions would affect direct spending and receipts, pay-as-you-go procedures would apply to the bill.

By extending the NRC's authority to collect fees from utilities, section 107 would impose both an intergovernmental and private-sector mandate as defined by the Unfunded Mandates Reform Act of 1995 (UMRA). This mandate would not impose costs above the threshold established in UMRA for intergovernmental mandates (\$50 million in 1996, adjusted for inflation). CBO cannot determine whether the direct costs of the mandate would exceed the annual threshold for private-sector mandates (\$100 million in 1996, adjusted for inflation), because UMRA is unclear about how to define the direct costs associated with extending an existing mandate that has not yet expired. Depending on how they are measured, the direct costs to the private sector could exceed the threshold.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 3532 is shown in the following table. The costs of this legislation fall within budget function 270 (energy).

	By Fiscal Year, in Millions of Dollars						
	1997	1998	1999	2000	2001	2002	2003
SPENDING SUBJECT TO APPROPRIATION							
Net NRC Spending Under Current Law							
Budget Authority ^a	18	18	0	0	0	0	0
Estimated Outlays	52	22	142	47	0	0	0
Proposed Changes							
NRC Spending							
Authorization Level	0	0	489	0	0	0	0
Estimated Outlays	0	0	343	98	48	0	0
Offsetting Collections							
Authorization Level	0	0	-467	0	0	0	0
Estimated Outlays	0	0	-467	0	0	0	0
Net NRC Spending Under H.R. 3532							
Authorization Level ^a	18	18	22	0	0	0	0
Estimated Outlays	52	22	18	145	48	0	0
CHANGES IN DIRECT SPENDING							
Estimated Budget Authority	0	0	b	b	b	b	b
Estimated Outlays	0	0	b	b	b	b	b
CHANGES IN REVENUES							
Estimated Revenues	0	0	b	b	b	b	b

a. The 1998 level is the net amount appropriated for that year (gross appropriations less offsetting collections).

b. Less than \$500,000.

BASIS OF ESTIMATE

For purposes of this estimate, CBO assumes that H.R. 3532 will be enacted by the end of this fiscal year and that all funds authorized by the bill will be appropriated. Estimated outlays are based on the historical spending patterns of the NRC.

Spending Subject to Appropriation

Section 101 would authorize the appropriation of \$483.3 million for 1999 for the NRC, of which \$18.5 million would be derived from the Nuclear Waste Trust Fund. In addition, \$5.3 million would be authorized to be appropriated to the NRC's Office of Inspector General for 1999.

Section 107 would extend the NRC's authority to collect user fees and annual charges sufficient to fully offset the agency's general fund appropriation for five years, through 2003. Also, section 106 would exclude any appropriation from the general fund for the cost of NRC's regulatory reviews and assistance to federal agencies from cost recovery through annual charges. CBO estimates the NRC would spend about \$3.2 million on assistance to other federal agencies in 1999, and that this sum would be excluded from offsetting collections in that year.

Direct Spending and Revenues

Section 103 would allow the NRC to collect and spend, without appropriation action, funds from state governments, foreign governments, and international organizations for training, travel, and other services performed by the NRC. In recent years, such collections have been made available to the NRC in annual appropriations acts. Based on information from the NRC, we estimate the agency would receive from these sources and spend about \$2.6 million in 1999, and similar amounts over the 2000-2008 period. Thus, the net budgetary impact would not be significant.

Section 203 would authorize the NRC to accept, hold, utilize, sell, and administer gifts, bequests, or donations of real and personal property for the purpose of aiding or facilitating the work of the NRC. Donations are recorded in the budget as governmental receipts (revenues). Based on information from the NRC, we estimate that receipts from such gifts would be less than \$500,000 annually. Finally, the bill would establish a new criminal penalty for the sabotage of nuclear production, utilization, or waste storage facilities. CBO estimates that enacting this provision would also increase governmental receipts by less than \$500,000 a year. Criminal fines are deposited in the Crime Victims Fund and are spent in the following year. Thus, any resulting change in direct spending from the fund would also amount to less than \$500,000 annually.

PAY-AS-YOU-GO CONSIDERATIONS

Section 252 of the Balanced Budget and Emergency Deficit Control Act of 1995 sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. CBO estimates that the net changes in direct spending and governmental receipts would be less than \$500,000 a year.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

Under current law, the NRC collects annual fees to offset 100 percent of its general fund appropriation. The NRC's existing authority to impose these fees expires at the end of fiscal year 1998. When that authority expires, the NRC will be authorized to collect annual fees up to only 33 percent of its budget. Section 107 would extend the NRC's current authority to charge annual fees to offset all of its general fund appropriation through fiscal year 2003. The requirement to pay these fees would be a mandate as defined in UMRA.

The total amount of fees collected under this provision would depend on the level of future appropriations. Assuming appropriations in the amount authorized in this bill for 1999, CBO estimates that extending the fees would result in additional collections of about \$306 million in 1999 from industries regulated by the NRC (primarily electric utilities) and similar amounts for fiscal years 2000 through 2003. (Under current law, the industries would pay fees equal to about one-third of NRC's appropriation, or \$161 million in 1999. Under H.R. 3532, they would pay \$467 million in fees in 1999.) CBO estimates that most of the annual fees would be paid by private, investor-owned nuclear utilities (less than 5 percent would be paid by nonfederal, publicly owned utilities.)

CBO cannot determine whether this mandate would impose any costs as defined in UMRA because the law is unclear as to how to measure costs associated with extending an existing mandate that has not yet expired. Measured against the costs that would be incurred if current law remains in place and the annual fee declines, the total cost to the private sector of extending this mandate would be close to \$300 million annually, beginning in fiscal year 1999. Measured that way, the cost of the mandate would exceed the annual threshold for the private sector as defined in UMRA. By contrast, measured against the fees paid for fiscal year 1998, the mandate would impose no additional costs on the private sector because the fees under H.R. 3532 would not differ much from those currently in effect. In any case, CBO estimates that the total costs to state, local, and tribal governments would be below the threshold for intergovernmental mandates established in UMRA.

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